

Message Text

LIMITED OFFICIAL USE

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 /125 W
-----057556 201008Z /23

R 190834Z AUG 78
FM AMEMBASSY RABAT
TO SECSTATE WASHDC 6482
INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE RABAT 5068

EO 11652: NA
TAGS: BDIS MO
SUBJECT: OXY/HOLIDAY INN TEAM REACHES AGREEMENT WITH GOM ON
HOTEL SETTLEMENT

REF RABAT 4963, LONDON 13154

1. (BEGIN UNCLASSIFIED) OXY VICE PRESIDENT KLEIN CALLED EMBASSY
AUGUST 17 TO REPORT THAT AFTER TWO DAYS OF INTENSIVE NEGOTIATIONS,
OXY/HOLLIDAY INN TEAM HAD CONCLUDED PROTOCOL OF AGREEMENT WITH
GOM NEGOTIATORS FOR SALE TO GOM OF FOUR FORMER HOLIDAY INN HOTELS
IN MOROCCO. PROTOCOL CALLS FOR DEFINITIVE AGREEMENT TO BE NEGOTIATED
IN PARIS DURING PERIOD OF 6-7 SEPTEMBER, WITH CLOSING IN RABAT ON
9 SEPTEMBER. AGREED SALE PRICE WAS FINALLY NEGOTIATED AT US DOLS
750,000 FREE OF TAXES AND PAYABLE IN FULLY CONVERTIBLE FUNDS AT ANY
PARIS BANK OF OXY/HI'S CHOICE. FULL MUTUAL RELEASES FROM ANY AND
ALL CLAIMS ARE PROVIDED FOR, INCLUDING TERMINATION OF ARBITRATION
PROCEEDINGS, UP TILL NOW IN PROGRESS AT INTERNATIONAL CHAMBER OF
COMMERCE IN PARIS. GOM ALSO UNDERTAKES TO ASSUME ANY DEBTS CON-
TRACTED IN MOROCCO BY FOUR HOTELS. (END UNCLASSIFIED)

2. (BEGIN LIMITED OFFICIAL USE) SETTLEMENT PRICE IS ABOUT ONE HALF
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OF THAT WORKED OUT WITH FORMER PRIVATE MOROCCAN SOLAZUR GROUP.
FOR SEVERAL YEARS LATTER APPEARED MOST LIKELY CANDIDATE FOR ACQUI-
SITION OF HOTLES, BUT AT CRITICAL JUNCTURE IN NEGOTIATIONS TOWARD
END OF LAST YEAR, IT WAS UNSUCCESSFUL IN SECURING NECESSARY GOM
APPROVAL OF DEAL. RESULT WAS THAT NEGOTIATIONS FELL APART WITHILE
GOM -- WITH CONTINUING EMBASSY PRODDING -- FINALLY MADE UP ITS MIND
TO PURCHASE HOTELS ITSELF, BUT THEN REQUIRED YET MORE TIME TO DECIDE

WHICH GOVERNMENT ENTITY WOULD CONDUCT NEGOTIATIONS ON GOM'S SIDE.

3. OXY STATE THAT IS SATISFIED WITH SETTLEMENT, PRESUMABLY
BECAUSE IT NOW CLEARS WAY TO OPEN UP COOPERATIVE PROGRAM OUTLINED
REFTELS. HI APPARENTLY SOMEWHAT LESS PLEASED BECAUSE OF LOWER
SETTLEMENT TERMS, BUT BOTH US GROUPS CLEARLY RELIEVED
TO DISPOSE OF THIS TEN YEAR OLD HEADACHE. EMBASSY ALSO ELATED
AT SEEING ITS LONGEST AND THORNIEST TRADE DISPUTE WITH GOM NOW
ON THE ROAD TO RESOLUTION. WE LOOK FORWARD TO CONFIRMING THIS
LONG SOUGHT AFTER OUTCOME IN SEPTEMBER, WHEN OXY/HI TEAM
DUE TO RETURN FOR CLOSING, (END LIMITED OFFICIAL USE).
MOFFAT

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NNN

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